

**SCOTTISH CRIMINAL CASES REVIEW COMMISSION**  
**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE ON**  
**FRIDAY 10 JUNE 2016 AT**  
**10.30AM, PORTLAND HOUSE**

**FOR DISCLOSURE VIA THE PUBLICATION SCHEME**

In line with the Commission's Disclosure policy, various paragraphs may have been edited or deleted from these minutes as the information contained therein relates to specific case information and/or personnel-related matters. Where the summary of discussion has been edited or the names have been deleted, this is indicated at the start of the relevant paragraph or section.

There have been no edits within this set of minutes.

**Members of the Audit Committee:**

Mr Gerrard Bann, Chairman  
Professor George Irving CBE  
Professor Jim Fraser

**In attendance:**

Mr Asif Haseeb, Audit Manager, Audit Scotland  
Mr David Docherty, Auditor, Audit Scotland  
Mr William Wilkie, Senior Internal Auditor, Scottish Government  
Mrs Yvonne Meldrum, Senior Internal Auditor, Scottish Government  
Ms Amy McNee, Trainee Internal Auditor, Scottish Government  
Mr Gerard Sinclair, Chief Executive, SCCRC  
Mr Chris Reddick, Director of Corporate Services, SCCRC

**1.0 Apologies**

Mr Montgomery (SG: Internal Audit) had submitted his apologies.

**2.0 Minutes of the Audit Committee meeting held on 3 December 2015**

The Audit Committee noted the minutes of the meeting held on 3 December 2015, having previously approved them by email. The Audit Committee also noted the version for the publication scheme.

**3.0 Matters Arising**

3.1 Mr Bann referred to the minutes of the previous meeting and noted that the Committee was due to meet in February 2016. Mr Reddick confirmed that, following discussion with Members, it had been agreed to postpone

this meeting on the basis that the internal audit work was still ongoing and there weren't a sufficient number of agenda items to warrant a meeting.

## **4.0 Internal Audit**

### **2015-16 Internal Audit Annual Review**

- 4.1 Mr Wilkie presented the Internal Audit Annual Review for 2015-16 to the Audit Committee, confirming that substantial assurance had been provided and that there was only one low level recommendation made in respect of the development of internal procedures to deal with any threats of terrorism/violence. He invited questions on the report from the Audit Committee.
- 4.2 Mr Bann noted that the review covered the Commission's ICT process and queried if the password controls currently in place in respect of Boardbooks were appropriate. Mr Wilkie confirmed that as there was no single sign-on facility that the current controls were appropriate given the other levels of password control protecting individual devices. Professor Fraser noted that it was important to enforce good practice in respect of user passwords and enforced periodic changes.
- 4.3 Mr Sinclair requested clarification on the recommendation made and what the proposed internal procedures would cover. Mr Reddick noted, as identified by internal audit, that there were currently no procedures/guidance notes in place for staff on what to do in the event that they received information of a terrorist type threat. He confirmed that internal audit had provided him with some sample procedures and that he would draft something appropriate for the Commission.
- 4.4 After further discussion the Audit Committee noted the content of the Annual Review and the assurance level provided, thanking Mr Wilkie and his team for their work.

### **2015-16 Internal Audit Annual Report**

- 4.5 Mr Wilkie presented the Internal Audit Annual Report for 2015-16 to the Audit Committee, noting that this summarised the work undertaken during the course of the year which enabled them to provide substantial assurance to the Commission. He confirmed that a follow-up review of previous audit recommendations had been undertaken as part of this process and that all previous recommendations had been implemented.
- 4.6 The Audit Committee discussed the Annual Report in detail and noted its content.

### **2016-17 Proposed Audit Plan**

- 4.7 Mr Wilkie presented the proposed Audit Plan for 2016-17 to the Audit Committee, confirming that this had been drafted following review of the Commission's Corporate Risk Register and through discussion on key issues with management. The Audit Committee confirmed that they were content with the plan and subsequently approved it without amendment.

### **Memorandum of Understanding**

- 4.8 Mr Wilkie presented the Memorandum of Understanding for the Provision of Internal Audit Services to the Audit Committee, confirming that this was based on a proforma agreement set up by Scottish Government. The Audit Committee noted its content.
- 4.9 In summary, Mr Wilkie conveyed his thanks to management and the administration team for facilitating the audit work throughout the year and their continued responsiveness to requests for information. Mr Bann thanked Mr Wilkie and his team for their continued work and support to the Audit Committee.

## **5.0 External Audit – 2015-16 Annual Audit Plan**

- 5.1 Mr Sinclair referred Members to the updated copy of the 2015-16 Annual Accounts which had been circulated. He confirmed that as part of the production of the 2015-16 Annual Report an error in respect of the calculation of the sentence-only target had been identified whereby one of the referred cases had been misclassified and should have been recorded as a conviction referral. He confirmed that as a result of correcting the error the Commission had now met target in respect of sentence-only cases and that the narrative within the accounts had been updated to reflect this. He also confirmed that the draft Business Plan and Corporate Plan would also be updated and that he had communicated details of this to the rest of the Board. The Audit Committee confirmed that it was pleased the target had now been met and noted the reason for the initial error in reporting.
- 5.2 Mr Reddick presented the 2015-16 Annual Accounts to the Audit Committee. He confirmed that there had been a number of format changes to the accounts narrative based on the latest FReM requirements and reported that external audit had provided excellent support in interpreting the new guidance. He also confirmed that there had been one change in respect of accounting policy whereby the Commission had changed amortisation of IT assets from 5 to 3 years in line with good practice. Mr Reddick also reported that pension disclosure information had now been included within the accounts and had been subject to audit despite being received late from MyCSP. He provided an overview of the problems experienced obtaining the information and his proposed course of action for 2016-17.

### **Proposed Independent Auditor's Report**

- 5.3 Mr Haseeb presented the Proposed Independent Auditor's Report to the Audit Committee confirming that an unqualified auditor's report would be issued. He also confirmed that he had no specific issues to bring to Member's attention other than the points raised within the Proposed Annual Audit Report and that all appropriate assurances had been received. He also provided Members with an overview of the Audit Certificate and its content along with a summary of the Letter of Representation (ISA 580) to be completed and signed by the Accountable Officer. Mr Haseeb confirmed

that these reports would be finalised following the meeting, subject to the approval of the Audit Committee, and sent to the Auditor General for clearance. The Audit Committee confirmed that they were content with the report.

#### **Proposed Annual Audit Report 2015-16**

- 5.4 Mr Docherty provided the Audit Committee with a summary of the Proposed Annual Audit Report, confirming that an unqualified opinion would be issued on the financial statements, that all working papers provided were of a high standard and enabled the audit team to complete their fieldwork by the planned target date and that any monetary or presentational errors had been corrected by management in the financial statements.
- 5.5 Mr Docherty also provided the Audit Committee with a summary of the main findings from the audit and the various points giving rise to audit recommendations in respect of historic accrual reversals, the provision of pension information from MyCSP, the Commission's property lease and cash and cash equivalent balances. He noted that the issue with MyCSP had been experienced by all Scottish Bodies and that the Commission had now received all pension disclosure information which had been included within the financial statements and subject to audit.
- 5.6 Professor Fraser asked for clarification on the Commission's provisions as disclosed in Note 10 to the accounts. Mr Reddick confirmed that the Commission had established a provision for dilapidations in order to cover the cost of fulfilling its lease requirements regarding redecoration. He also confirmed that this provision would help meet the costs of reinstating the accommodation to its original standard if the decision was made to move premises.
- 5.7 Mr Bann referred to the Staff Report and queried the increase in staff leave accrual from the previous year. Mr Reddick confirmed that this had increased as a result of staff involvement in cases of an exceptional nature, such as that of Mr Megrahi, throughout the course of the year which had led to an increase in both carry forward annual leave and accumulated flexi leave.
- 5.8 Professor Fraser queried the reference to the Commission's Equal Opportunities Policy within the Staff Report as this only referred to disability. Mr Reddick confirmed that the full policy covers all equalities issues but for the purposed of the Staff Report the Commission was specifically required to address disability as per the FReM.
- 5.9 After further discussion the Audit Committee approved the 2015-16 Annual Accounts for signing. Mr Bann also thanked Mr Haseeb and his team for their work and assurances.

**At this point in the meeting both the auditors and the Audit Committee Members confirmed that they did not require a private meeting in the absence of management.**

## **6.0 Audit Committee Terms of Reference & Annual Report**

- 6.1 Mr Reddick confirmed that the Audit Committee was required to periodically review its own Terms of Reference to ensure that they remained appropriate and up to date. Members discussed the content of the Terms of Reference and confirmed that they were happy to approve the latest version, subject to minor amendment.
- 6.2 Mr Reddick provided an overview of the Audit Committee's Annual Report for 2015-16 which is a requirement as per the Terms of Reference. He confirmed that the report set out the Audit Committee's opinion on internal control within the Commission along with the various sources of assurance from which to base their opinion. After discussion, the Audit Committee approved the Annual Report and confirmed that it was content to recommend to the Accountable Officer the signing of the 2015-16 Annual Accounts in accordance with the delegated authority assigned to it by the Board and in accordance with their Terms of Reference. Mr Bann signed off the report as Chairman of the Audit Committee.

## **7.0 Risk Management**

- 7.1 Mr Reddick provided the Audit Committee with a full update on the Commission's Corporate Risk Register for quarter 4 and in particular set out the additional control actions and activities that had been undertaken in respect of the specific risks listed. He noted that no changes to the risk scoring had been recommended and at this point no changes to the top 10 risks had been identified.
- 7.2 Professor Fraser referred to risks 9 and 10 in respect of Security Breaches and Physical Attacks/Threats on Staff and suggested that the wording of both could perhaps be updated to make these more distinct. Mr Reddick agreed to look at this point. After further discussion the Audit Committee formally noted the content of the Corporate Risk Register and confirmed that a copy should be included on the Board agenda for June 2016.

## **8.0 Business Continuity Plan**

Mr Reddick provided Members with a verbal update on the Commission's Business Continuity Plan and in particular set out details of the latest test which had been a real life test of the Commission's back-up arrangements. He confirmed that all backed-up data had been successfully reinstated within agreed timescales and that he had updated the Plan with details of this. He also confirmed that he would issue an updated plan to appropriate Members via Boardbooks. The Audit Committee noted Mr Reddick's update.

## **9.0 Best Value Action Plan**

Mr Reddick provided Members with a verbal update on the Commission's Best Value arrangements. He confirmed that the last full review had been undertaken in 2013-14 whereby a full Best Value Action Plan had subsequently been produced and all actions had been implemented by 2015-16. On that basis he confirmed that the 2016-17 Business Plan had been updated to include an objective for the year to undertake a further full Best Value Review. The Audit Committee noted Mr Reddick's update.

## **10.0 Any Other Competent Business**

10.1 Mr Wilkie reported to the Audit Committee that Mrs Meldrum would be taking over from him as the Commission's Senior Internal Auditor and that this was therefore his last meeting with the Audit Committee. He specifically thanked Mr Sinclair, Mr Reddick and the Members of the Audit Committee for their support to the audit team and ensuring that audit reports were well received and appropriately actioned. Mr Bann conveyed the Audit Committee's thanks to Mr Wilkie for his valued assistance.

10.2 Mr Haseeb also confirmed that this was the current Audit Scotland Team's last visit with the Commission as, following the recent audit appointments process, a new team from Audit Scotland, headed by Ms Liz Maconachie, would be taking over the Commission's audits. He specifically thanked Mr Sinclair and Mr Reddick for their ongoing attendance and support at Audit Committee meetings as well as noting the excellent turnaround and response by management to all audit enquiries. Mr Haseeb also thanked the Audit Committee for their ongoing support. Mr Bann thanked Mr Haseeb and his team for their valued assurance work and support provided to the Committee.

## **11.0 Date of Next Meeting**

Mr Reddick agreed to circulate proposed dates for the next meeting,

**Chris Reddick**  
17 June 2016